



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

July 7, 2005

To: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From:

David E. Janssen  
Chief Administrative Officer

A handwritten signature in dark ink, appearing to read "David E. Janssen", is written over the typed name and title.

**WASHINGTON, D.C. UPDATE**

**Legislative Outlook**

Congress is scheduled to reconvene on July 11, 2005 for three weeks of legislative business before embarking on its summer recess, which runs from August 1st through September 5th. Because the House already has approved all of its Federal Fiscal Year (FFY) 2006 appropriations bills, that chamber will focus on policy matters, with an emphasis on completing conference negotiations on the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21) reauthorization bill (H.R. 3) and a comprehensive energy bill (H.R. 6). The House also may consider legislation to reauthorize the Water Resources Development Act (WRDA).

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The Senate schedule is less certain, with nine FFY 2006 appropriations bills yet to reach the Senate floor. Senate Majority Leader Frist has indicated that he hopes to pass most, if not all, of these appropriations bills before the August recess. Adding to the uncertainty was last week's retirement announcement from Associate Supreme Court Justice Sandra Day O'Connor. Senate Democrats have threatened to block proceedings on major bills should the President nominate a conservative ideologue. The Supreme Court nominations process could delay the appropriations process and increase the likelihood of many programs being temporarily funded by a continuing resolution when FFY 2006 begins on October 1, 2005. It also increases the likelihood that multi-year Temporary Assistance for Needy Families, WRDA, Ryan White Comprehensive AIDS Resources Emergency Act, and Workforce Investment Act reauthorization legislation will not be enacted by the start of FFY 2006.

The status of pending appropriations bills of County interest is summarized below:

### **FFY 2006 Homeland Security Appropriations**

Senate floor action on its FFY 2006 Homeland Security Appropriations bill (H.R. 2360) is scheduled for next week. The House passed its version on May 17th, and leaders in both houses hope to complete conference negotiations on the bill before the August recess. Attachment I is a table comparing FFY 2006 funding levels for programs of County interest in both bills. Total combined State Homeland Security Grant (SHSG) and high-threat urban area grant funding would drop from nearly \$2 billion in FFY 2005 to \$1.6 billion in the House bill and roughly \$1.52 billion in the Senate bill, which would consolidate the two grants into a single account. Both bills would provide each state with a minimum floor of 0.75 percent of total SHSG funding, the same as in current law, and allocate remaining funds based on terrorist threats and risks. Currently, remaining funds are allocated on a per capita basis. Senator Collins (R-ME) may offer a floor amendment to allocate homeland security grant funds as provided in S. 21, her homeland security grant bill, which has a complex allocation formula with a relatively high small state minimum floor.

### **Departments of Labor and Health and Human Services (HHS) Appropriations**

The House passed its version of the FFY 2006 Labor/HHS/Education Appropriations bill (H.R. 3010) on June 24, 2005, and the Senate Appropriations Committee is scheduled to mark up its version next week. As seen in Attachment II, most programs of County interest are funded at levels similar to FFY 2005 in the House bill. Major exceptions include the \$83 million Community Access Program (CAP), which would be eliminated, and the Community Services Block Grant (CSBG), which would be cut by nearly 50 percent to \$320 million. The County currently receives about \$6.5 million in annual CSBG funding, and received a one-time CAP competitive grant several years ago. We expect that the Senate will restore most, if not all, of the CSBG funding in its version.

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### **Housing and Urban Development (HUD) Appropriations**

The House passed its FFY 2006 Transportation/Treasury/HUD/Judiciary/District of Columbia Appropriations bill (H.R. 3058) on June 30, 2005. Before passing the bill, the House adopted a floor amendment to increase Community Development Block Grant (CDBG) formula grant funding by \$17.5 million to \$3.877 billion, which is still below the FFY 2005 funding level of \$4.11 billion. Another floor amendment increased Section 8 housing voucher funding by \$100 million to \$15.631 million to help ensure that funds will be available to renew all existing vouchers. Representative Miller (R-CA) also offered a

successful amendment to include \$24 million for the Brownfields Redevelopment program, which would have been eliminated in the House Appropriations Committee version, as requested by the President. Attachment III is a table comparing the House funding level for programs of County interest with current funding levels and those proposed by the President.

The Senate Appropriations Committee will mark up its FFY 2006 Transportation/Treasury/Judiciary/HUD Appropriations bill next week. Similar to the House, the Senate version will not include the Administration's proposal to eliminate 18 programs, including CDBG and CSBG, and consolidate them into a new Strengthening America's Communities (SAC) initiative.

### **Departments of Justice and Commerce Appropriations**

Last month, the House passed its FFY 2006 Science/State/Justice/Commerce (SSJC) Appropriations bill (H.R. 2862), and the Senate Appropriations Committee approved a FFY 2006 Commerce/Justice/Science (CJS) Appropriations bill (H.R. 2862). Both bills reduce overall funding for state and local law enforcement programs by a far smaller amount than proposed by the President, and reject his proposals to eliminate the State Criminal Alien Assistance Program (SCAAP), Justice Assistance Grant (JAG), and Economic Development Assistance (EDA) programs. However, the FFY 2006 funding levels for these programs significantly differ. For example, SCAAP would be funded at \$405 million by the House and \$170 million by the Senate, while JAG would be funded at \$271 million by the House and \$535 million by the Senate. Attachment IV is a table comparing House and Senate FFY 2006 funding levels for programs of County interest with current funding levels and those proposed by the President. Senate floor action on H.R. 2862 is expected to occur later this month.

### **Energy and Water Development Appropriations**

The House passed its FFY 2006 Energy and Water Development Appropriations bill (H.R. 2419) on May 24, 2005 while the Senate passed its version on July 1, 2005. The Senate bill includes more overall discretionary spending (\$31.2 billion) than the House version (\$29.7 billion) as well as significantly more funding for Army Corps of Engineers (Corps) civil works projects. The Senate bill provides \$100 million more funding for the Corps' Operation and Maintenance budget and \$80 million more funding for its General Investigations budget that fund Corps projects of County interest that are identified in Attachment V. The Senate bill includes \$1 million to dredge the Marina del Rey entrance channel, while the House does not include any funding for this project. Conference committee action to reconcile the differences between the Senate and House versions is not expected to occur until after Labor Day.

### **Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21)**

On June 30, 2005, Congress extended spending authority under the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), which funds Federal highway and transit programs, until July 19, 2005. Conference committee negotiations on a six-year reauthorization bill (H.R. 3) are ongoing. There are unofficial reports that conferees have tentatively agreed on an overall six-year funding level of \$286 billion, which is closer to the House funding level of \$283.9 billion than the Senate's \$295 billion level. The Administration has threatened to veto a bill that exceeds the House total, but it might accept a small increase if it has broad Congressional support. An agreement on overall funding would be significant because conferees then could negotiate the minimum funding guarantee amount that each state would receive under the bill. While staff discussions are continuing through the Independence Day recess, because of the complexity of the legislation, particularly allocation formula issues, another short-term extension is possible.

### **Medicaid**

Last month, the Senate Finance and House Energy and Commerce Committees, which have jurisdiction over Medicaid, held several hearings to prepare for the development of legislation that would cut Medicaid spending by \$10 billion over five years to comply with budget reconciliation instructions included in the FFY 2006 budget resolution. Much of the hearings focused on a range of Medicaid cost and "fraud and abuse" issues, including rising pharmaceutical costs, the transfer of assets by the elderly to their relatives to qualify for Medicaid long-term care services, and the use of contingency fee consultants and Intergovernmental Transfers by states to secure greater Federal Medicaid matching funds. The committees also heard testimony from the National Governors Association (NGA), which mainly called for greater flexibility for states to determine Medicaid eligibility and benefits and for Medicaid cost savings by tightening restrictions on the transfer of assets and reducing drug prices.

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The committees are not expected to mark up Medicaid budget reconciliation legislation until after Labor Day. However, by the beginning of August, committee staff likely will have prepared draft legislation and budget options for the Congressional Budget Office to "score" (estimate) cost savings.

In addition, the Administration has not yet appointed members to its Medicaid Commission, which, by September 1, 2005, is to recommend options for achieving the \$10 billion in Medicaid savings over five years. This commission differs significantly from the independent bipartisan commission envisioned by moderate Senate Republicans when they agreed to the \$10 billion in Medicaid savings. This is because all 15 voting members of the Medicaid Commission will be appointed by the Secretary of Health and Human Services. While the commission is supposed to include eight

non-voting members appointed by Congressional leaders from both parties, Congressional leaders have not yet appointed members, and Democrats have indicated that they will not appoint anyone. In addition, the NGA has indicated that Governors will not join the commission.

### **Water Resources Development Act (WRDA) Reauthorization**

On June 22, 2005, the House Transportation and Infrastructure Committee approved the Water Resources Development Act of 2005 (H.R. 2864), a bill which reauthorizes funding for the Army Corps of Engineers to conduct water resource studies and carry out specified projects and programs, such as navigation improvement, flood control, watershed management, stream bank modification, shoreline protection, and environmental restoration.

The House bill authorizes the Corps to conduct studies of improvements to the Ballona Lagoon Tide Gates and the Dockweiler Bluffs that were requested by the County's Department of Beaches and Harbors. The Senate Environmental and Public Works Committee approved its WRDA reauthorization bill (S. 728) on April 13, 2005. The Senate bill authorizes a Nicholas Canyon Feasibility Study that was requested by the Department of Beaches and Harbors, but not the studies authorized in the House bill.

Legislation to reauthorize WRDA failed in the previous 108<sup>th</sup> Congress. The House is expected to begin floor action on H.R. 2864 later this month while the Senate has not yet scheduled floor debate on S. 728.

We will continue to keep you advised.

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MAL:MT:ib

### **Attachments**

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c: Executive Officer, Board of Supervisors  
County Counsel  
All Department Heads  
Legislative Strategist

**PROPOSED FEDERAL FISCAL YEAR (FFY) 2006 FUNDING LEVELS  
FOR PROGRAMS OF COUNTY INTEREST IN H.R. 2360  
HOMELAND SECURITY APPROPRIATIONS BILL  
(in millions)**

<b>PROGRAMS</b>	<b>Enacted 2005</b>	<b>President 2006</b>	<b>House<sup>1</sup> 2006</b>	<b>Senate<sup>2</sup> 2006</b>
State Homeland Security Grant <sup>3</sup>	\$ 1,100	\$ 700	750	0
High-Threat Urban Area Grants <sup>3</sup>	885	1,200	850	0
State and Local Assistance <sup>3</sup>	0	0	0	1,518
State and Local Law Enforcement Terrorism Prevention	400	500	400	400
Rail and Transit Security	150	0	150	100
Port Security	150	0	150	200
Emergency Management Performance Grants	180	170	180	180
Firefighting Grants	650	500	575	550
SAFER <sup>4</sup>	65	0	75	65
Urban Search and Rescue Teams	30	7	7	30

**Footnote**

<sup>1</sup> In H.R. 2360, as passed by the House on May 17, 2005.

<sup>2</sup> In H.R. 2360, as approved by the Senate Appropriations Committee on June 16, 2005.

<sup>3</sup> The Senate version consolidates the State Homeland Security Grant and High-Threat Urban Area Grants into a new State and Local Assistance account of which \$425 million would be used to provide states and territories with the same minimum floor amount as in FFY 2005. Remaining funds would be allocated to States, urban areas, and/or regions based on terrorist risks, threats, vulnerabilities, and unmet essential capabilities.

<sup>4</sup> SAFER refers to the Staffing for Adequate Fire and Emergency Response Firefighting Program.

**FEDERAL FISCAL YEAR (FFY) 2006 FUNDING LEVELS  
FOR PROGRAMS OF COUNTY INTEREST IN H.R. 3010  
LABOR / HEALTH AND HUMAN SERVICES / EDUCATION APPROPRIATIONS BILL  
(in millions)**

<b>PROGRAMS</b>	<b>Enacted 2005</b>	<b>President 2006</b>	<b>House<sup>1</sup> 2006</b>
<b>Labor</b>			
Adult Training	\$ 897	\$ 866	\$ 866
Youth Training	986	950	950
Dislocated Workers	1,193	1,075	1,193
State Employment Service	781	696	696
Title-V Older Americans Employment	437	437	437
<b>Health and Human Services</b>			
Bioterrorism Public Health Grants	927	797	853
HRSA Hospital Preparedness Grants	491	484	472
Ryan White Emergency Assistance	610	610	610
Ryan White AIDS Total	2,073	2,083	2,083
Community Health Centers	1,734	2,038	1,834
Family Planning	286	286	286
Community Access Program	83	0	0
Preventive Health Block Grant	119	0	100
Maternal and Child Health Grant	724	724	700
Substance Abuse Block Grant	1,776	1,776	1,776
Mental Health Block Grant	433	433	433
Social Services Block Grant	1,700	1,700	1,700
Community Services Block Grant <sup>2</sup>	637	0	320
Child Welfare Services	290	290	290
Independent Living <sup>3</sup>	187	200	190
Promoting Safe and Stable Families	404	410	404
Child Care Development Block Grant	2,083	2,083	2,083
Refugee Social Services	165	151	160
Refugee Targeted Assistance	49	49	49
Refugee Assistance Total	484	552	561
Administration on Aging (AoA) Total	1,396	1,372	1,376
AoA Family Caregivers	156	156	156
AoA Nutrition	719	719	726
AoA Supportive Services	354	354	354

**Footnotes**

<sup>1</sup> In H.R. 3010, as passed by the House on June 24, 2005.

<sup>2</sup> The President's proposed FFY 2006 Budget would consolidate CSBG and 17 other programs into a \$3.7 billion strengthening America's Communities Initiative that would be administered by the Department of Commerce.

<sup>3</sup> Includes \$50 million for Independent Living Training Voucher Grants.

**FEDERAL FISCAL YEAR (FFY) 2006 FUNDING LEVELS  
FOR THE HOUSING AND URBAN DEVELOPMENT (HUD) PROGRAMS  
(in millions)**

<b>PROGRAMS</b>	<b>Enacted 2005</b>	<b>President 2006</b>	<b>House<sup>1</sup> 2006</b>
Community Development Block Grant (Formula Grant) <sup>2</sup>	\$ 4,110	\$ 0	\$3,877
Section 8 Tenant-Based Rental Assistance (Vouchers)	14,766	15,845	15,631
Section 8 Project-Based Rental Assistance (Contracts)	5,298	5,072	5,088
Section 8 Administrative Fees	1,250	1,295	1,225
Public Housing Operating Fund <sup>3</sup>	2,438	3,407	3,600
Public Housing Capital Fund	2,579	2,327	2,600
Homeless Assistance Grants	1,241	1,440	1,340
HOME (Formula Grant)	1,785	1,727	1,790
Housing Opportunities for Persons with AIDS (HOPWA)	282	268	290
American Dream Downpayment Initiative	50	200	50
Brownfields	24	0	24

**Footnotes**

<sup>1</sup> In H.R. 3058, the FFY 2006 Transportation/Treasury/HUD/Judiciary/District of Columbia Appropriations Bill, as passed by the House on June 30, 2005.

<sup>2</sup> The President's proposed FFY 2006 Budget would consolidate CDBG and 17 other programs into a \$3.7 billion Strengthening America's Communities Initiative that would be administered by the Department of Commerce.

<sup>3</sup> Much of this increase is because a nine-month rather than 12-month funding cycle was used in FFY 2005.



**FEDERAL FISCAL YEAR (FFY) 2006 FUNDING LEVELS  
FOR DEPARTMENTS OF JUSTICE AND COMMERCE  
(in millions)**

<b>PROGRAMS</b>	<b>Enacted 2005</b>	<b>President 2006</b>	<b>House<sup>1</sup> 2006</b>	<b>Senate<sup>2</sup> 2006</b>
State Criminal Alien Assistance Program	\$ 301	\$ 0	\$405	\$170
Justice Assistance Grant <sup>3</sup>	529	0	271	535
COPS Interoperable Communications	99	2	0	38
COPS Hiring Grants	10	0	0	2
COPS Technologies Grants <sup>4</sup>	137	0	120	137
DNA Initiative	109	176	177	90
Juvenile Justice Formula Grant	83	90	83	82
Juvenile Accountability Block Grant	54	0	60	49
Southwest Border Prosecutor Program	30	47	30	30
Strengthening America's Communities Initiative	0	3,710	0	0
Economic Development Assistance	254	0	201	284

**Footnote**

- <sup>1</sup> In H.R. 2862, the FFY 2006 Science/State/Justice/Commerce Appropriations Bill, as passed by the House on June 16, 2005.
- <sup>2</sup> In H.R. 2862, the FFY 2006 Commerce/Justice/Science Appropriations Bill, as approved by the Senate Appropriations Committee on June 23, 2005.
- <sup>3</sup> The funding levels are for formula Justice Assistance Grants only.
- <sup>4</sup> The President's request and House bill include interoperable communications.

**PROPOSED FEDERAL FISCAL YEAR 2006 FUNDING LEVELS FOR  
ARMY CORPS OF ENGINEERS PROJECTS OF COUNTY INTEREST IN  
H.R. 2419, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL**

<b>PROJECTS</b>	<b>Enacted 2005</b>	<b>House<sup>1</sup> 2006</b>	<b>Senate<sup>2</sup> 2006</b>
<b>Operation and Maintenance</b>			
Los Angeles County Drainage Area (LACDA)	\$ 5,376,000	\$ 4,287,000	\$ 4,287,000
Marina del Rey Maintenance Dredging	0	0	1,000,000
<b>General Investigations</b>			
Regional Dredged Material Management Plan	630,000	850,000	850,000
California Coastal Sediment Master Plan	116,000	900,000	600,000
Coast of California Storm and Tidal Wave Study	450,000	0	300,000
Sun Valley Watershed Feasibility Study	38,000	100,000	250,000
Arroyo Seco Watershed Feasibility Study	0	0	300,000
<b>Continuing Authorities Program</b>			
Tujunga Wash Restoration Project – Phase II	100,000	431,000	0

**Footnote**

<sup>1</sup> In H.R. 2419, as passed by the House on May 24, 2005.

<sup>2</sup> In H.R. 2419, as passed by the Senate on July 1, 2005.